RAREX

Phosphate Enabled Rare Earths

Environmental, Social & Governance Framework and Sustainability & Self-Assessment Report

2023

rarex.com.au

ASX: REE

RE

Rare Earths

In this Report

Message from the Chief Executive Officer

RareX was built on the fundamental belief in the green revolution – the global mega-trend for the generation and use of clean energy. For this reason we began, in 2019, building a business to focus on the main contributor to this mega-trend, rare earths. From this we have built a company with the near term Cummins Range Rare Earths and Phosphate Project, and a portfolio of exciting, synergistic exploration assets and investments. Integrated with all this work is our commitment to good environmental stewardship, positive social performance legacy and ethical business practises – which are mapped out in our ESG framework.

At the Cummins Range mine-site, our most impactful project currently, we have continued to advance drilling for resource definition, metallurgy and R&D, and conducted extensive field work surveys for environmental and social baselines. With this we have defined a critical minerals operation which begins with monetised pre-strip product to de-risk the Project and generate early cashflows. This will provide a platform to build our rare earth-phosphate mineral beneficiation plant to produce a single dual-mineral concentrate in bulk.

This concentrate is well suited as an electric vehicle raw material feedstock product for rare earth magnet motors and phosphate batteries. The product is to be shipped through the port of Wyndham on existing infrastructure. This Project has been defined with an advanced scoping study which is publicly available. The RareX team are actively advancing the Project with the intention to produce pre-strip product in 2025.

This progress has been guided by our ESG Framework, whilst further developing relationships and partnerships with local business, communities, governments and stakeholders.

We believe it's very important to publicly share our performance on obligations and commitments to be able to demonstrate long term transparency when engaging future strategic partners at all levels – and of course because it is the right thing to do.

I'm very pleased to share our progress towards our commitments and, whilst some of them are pending entering the next stages of the Project, we are confident with our integration of ESG into our DNA.

James Durrant,
Chief Executive Officer

Overview

Since our maiden Sustainability Report in 2022, built on the ESG framework prepared in 2021, we have embedded responsible environmental management, community engagement and governance into our DNA and the RareX team is firmly on board with this at a fundamental level.

The Sustainability Report presents our self-assessment on performance to our commitments and obligations and aims to give readers full transparency on how we operate our business and develop our Project.

Whilst simple, the aspects we report against are meaningful to us and to our stakeholders. It lays a public record of our commitment, focus and guidance as we develop our Project at Cummins Range and continue to explore, from which we can evolve and improve.

The potential placement of pre-strip product into the local agricultural sector brings broader regional benefits to people and the planet. Alongside this, the refinement of our corporate governance structures improves our focus on matters of socio-environmental stewardship.

The project design for Cummins Range and our modus operandi on the Project development and other areas of our business including exploration have led to a number of key achievements and design elements. These include:

- The road design which seeks to benefit not only the Project, but the pastoralists and the desert community of Billiluna.
- The contracting strategy which gives preferential terms to local contractors.
- Our recruitment process has been developed to recognise the challenges of local recruiting whilst removing barriers for local people, particularly in Billiluna and Halls Creek.
- Our community agreements where we've begun to foster a formal relationship with East Kimberley Jobs Pathways in offering on the job training opportunities to their classroom-based services.

We remain a junior exploration and project development company with responsibilities to manage shareholder money wisely and transparently. Whilst we have done well on many areas, there are some commitments requiring further focus and refining.

We hope you value the transparency and find this a modest, but important, part of building our business right from the beginning.

2023 Sustainability Snapshot

Economic Contribution (A$)

↑64% Increase in economic contribution since 2022

Local Employment
$60,250

Community Fund
$345,000

Contractors
$698,000

Total
$1,103,250

Environmental Baselines

>50% Completion of Environmental Baselines.

Safety Performance

We apply a health and safety management system across 10 elements of the business.

↑166%

24,464 man hours onsite, compared to the 9,180 man hours reported in 2021/22.

- 2 lost time injuries with 3 reportable safety incidents.

Indigenous Engagement

14%

During the 2022/23 drilling program, 1 out of 7 RareX employees was a local Indigenous person (14%), compared to the participation rate of 8% in 2021/22.

- Local and culturally sensitive recruitment process designed and implemented.
- 4 representations at Jaru board meetings throughout 2022.
- Traditional Owner negotiations are progressing towards a Mining Heritage Agreement.

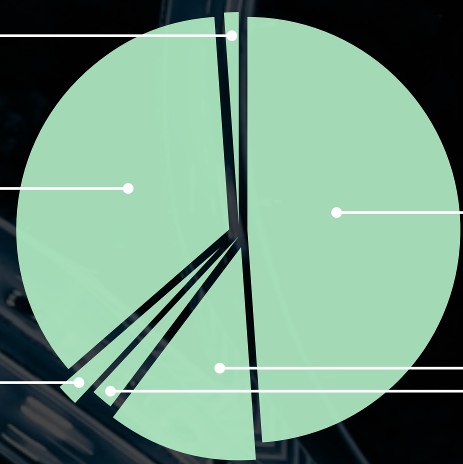
GHG Emissions by Fuel Source (tCO2e)

This year, we expanded our coverage of emissions reporting by including air travel, electricity for the head office, waste at camp, and basic scope 3 GHG emissions for all emissions sources.

Electricity (Scope 2 and 3)
10

Flights (Scope 3)
219

Waste to landfill for camp (Scope 3)
6



Drill rigs (Scope 1 & 3)
304

Generators (Scope 1 & 3)
71

Light vehicles (Scope 1 & 3)
10

Source of emissions factors: National Greenhouse Accounts Factors 2022. Flight emissions are sourced from Corporate Travel.

Social Performance Framework

- Designed to international UN and IFC standards.
- Maximises potential for positive Indigenous relations.
- Allows for progressive development of social performance for all project stages.

RareX at a glance

RareX Limited (ASX:REE) is an ASX-listed specialist company focused on exploring for and developing rare earths deposits. The flag-ship Cummins Range Rare Earths and Phosphate Project located in the East Kimberley region of Western Australia, is a blend of rare earth NdPr minerals and battery grade phosphate minerals. We are seeking to develop this Project in parallel to making further, complementary, discoveries.

The Cummins Range deposit is significant in scale containing 1.6 million tonnes of total rare earth oxide and 24 million tonnes of contained phosphorous pentoxide. Whilst already the country's largest undeveloped rare earths project, further exploration upside exits.

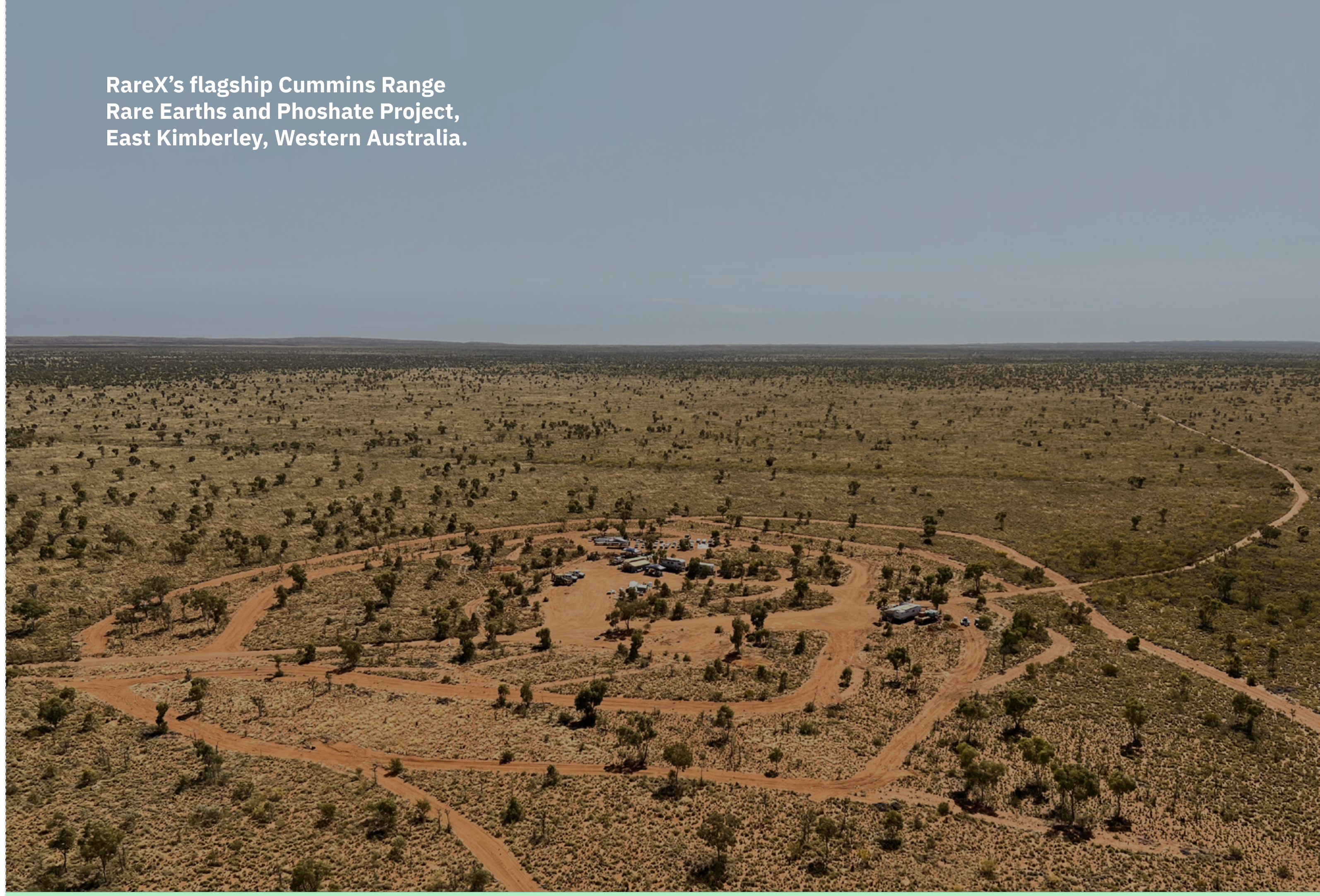
Cummins Range has the potential to supply, in a single mineral concentrate product, neodymium-praseodymium (NdPr) dominant rare earths, integral to the manufacturing of rare earth permanent magnets used in electric vehicles and wind turbines, and low impurity phosphate, the dominant material for safer, longer life, LFP batteries.

The pre-strip material at Cummins Range is suitable as direct application fertiliser – presenting a near term revenue stream in addition to the rare earth deposit. A significant portion of the product could be distributed into the local Kununurra agricultural district where RareX has an MOU with OrdCo, the main fertiliser distributors of the region.

This development approach has the benefits of initiating early cashflows for low capital, building confidence with the regulators on environmental and heritage management, furthering community relationships and social performance, providing greater mineral resource definition, allowing bulk samples for metallurgy and piloting, and establishing a functioning supply chain; all of which substantially de-risk the installation of the beneficiation plant which transitions the Project into a rare-earth critical mineral mine.

Learn more about our Project and our Company by clicking on this link:
RareX Investor Hub

RareX's flagship Cummins Range Rare Earths and Phoshate Project, East Kimberley, Western Australia.



Although the Cummins Range deposit is already the country's largest undeveloped rare earths project, further exploration upside exits.

The World Economic Forum Framework

The World Economic Forum (WEF) Framework was developed with the International Business Council (IBC) to report on environmental, social and governance (ESG) metrics and recommended disclosures as part of corporate annual reporting.

The ESG metrics are designed to be transparent, addressing the concerns and issues that would be relevant to its stakeholders. The WEF framework has been chosen by RareX to guide its approach to ESG, which is outlined below.

Principles of Governance

Governing purpose

1 Setting purpose

Quality of governing body

2 Governance body composition

Stakeholder engagement

3 Material issues impacting stakeholders

Ethical behaviour

4 Anti-corruption

5 Protected ethics advice and reporting mechanisms

Risk and opportunity oversight

6 Integrating risk and opportunity into business process

Planet

Climate change

7 Greenhouse gas (GHG) emissions

8 TCFD implementation

Nature loss

9 Land use and ecological sensitivity

Freshwater availability

10 Water consumption and withdrawal in water stressed areas

People

Dignity and equality

11 Diversity and inclusion

12 Pay equality

13 Wage level

14 Risk for incidents of child, forced or compulsory labour

Health and wellbeing

15 Health and safety

Skills for the future

16 Training provided

Prosperity

Climate change

7 Greenhouse gas (GHG) emissions

8 TCFD implementation

Nature loss

9 Land use and ecological sensitivity

Freshwater availability

10 Water consumption and withdrawal in water stressed areas

RareX Key Stakeholders

RareX's key stakeholders are listed below. This informs our material ESG topics and our approach to reporting on ESG metrics.

Key Stakeholders

KLC and Traditional Land Owners

The Kimberley Land Council (KLC) and Traditional Owners including the Jaru Community, Tjurabalan Native Title Land Aboriginal Corporation, and Billiluna Community, have interests. This includes protecting and preserving culture, heritage and environmental values and we recognise the importance and value of their involvement.

Regulators

The WA Department of Mines, Industry Regulation and Safety (DMIRS) and other government departments require particular certifications and approvals for exploration and mining activities. Other state government departmental requirements may also apply.

Investors

Investors are increasingly concerned with risk management across a range of ESG topics. There are numerous RareX investors ranging from banks to individuals.

Downstream Communities & Environments

The future refining of rare earth minerals will involve activities including refining downstream of our mining operation, and potentially abroad. We will operate with careful downstream management, with active consideration to the health and wellbeing of communities and the protection of local environments.

Employees, Suppliers, and Contractors

Our employees, our contractors and suppliers are important to us. We will support them as a family and be rigorous in Occupational Health and Safety (OH&S) from now through to mining. Not following proper procedure can lead to us hurting our people, legal risks and fines.

Billiluna / Halls Creek / Port Wyndham / Kununurra Communities

The closest township to the Cummins Range Project, where we plan to commence mining, is Billiluna. Relevant stakeholders in the area include the community of Billiluna, the Shire of Halls Creek, pastoralists, community groups and not-for-profit organisations.

“ We are passionate about leaving a legacy of positive social impact, particularly on the custodians of the land and the nearby communities of where we operate.

We have successfully employed local Jaru Traditional Owners, who have been an integral part of the team.

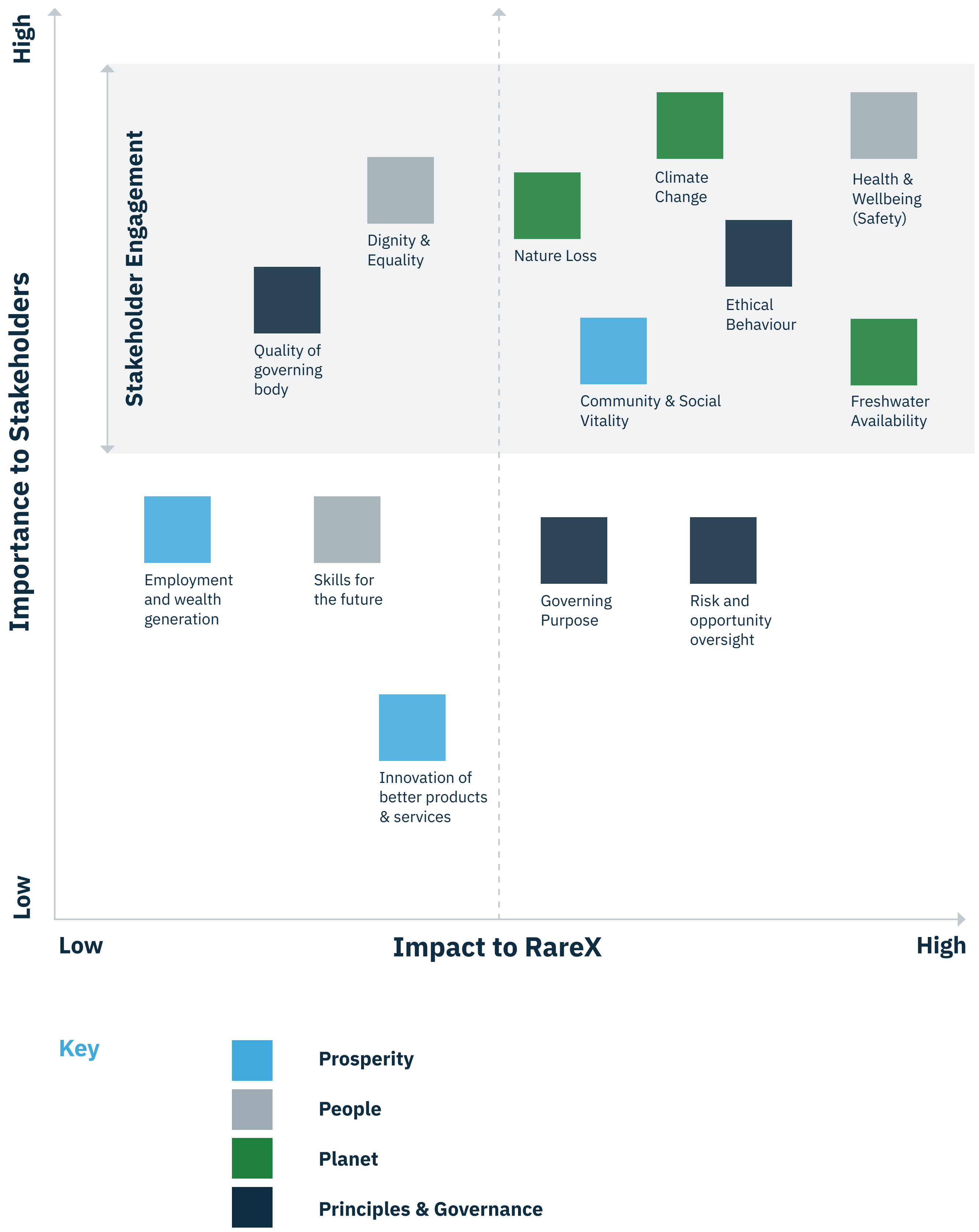
We have sponsored the Kununurra muster and are in discussion with local Traditional-Owner contractors for civil works.

The geology team have also been monitoring fuel, water and waste among other important aspects since the start so that it becomes part of our DNA.”

Guy Moulang,
Exploration Manager

Local community engagement, Cummins Range Rare Earths and Phoshate Project, East Kimberley, Western Australia.

RareX Materiality Matrix



RareX ESG Framework

RareX Approach

Planet, People & Prosperity, Governance

Sustainability Roadmap

1. Exploration and Project definition
2. Mine development
3. Mine operation

RareX Approach

Planet

We are committed to the responsible management of the environment in which we operate. We recognise the need to mitigate carbon emissions and we support Australia's commitments under the Paris Agreement. We also recognise the need to reduce impacts to environmental receptors including ecological and water resources. We are developing policies to help us manage these commitments and we plan to continuously improve and evolve our approach to ensure that our transition from exploration to mining operations is in line with our ESG Framework.

People & Prosperity

We are passionate about leaving a legacy of positive social impact in all areas of our business, particularly on the custodians of the land and the nearby communities of where we operate. RareX values engagement with local communities and continues to support community investment though the Kimberley Sustainable Development Trust. We see exciting opportunities to provide employment and skills development in the fast growing rare earth minerals industry, which is a critical component of low carbon economy infrastructure such as wind turbines and electric vehicles.

Governance

We are rigorous in our corporate governance and RareX values exceptional business ethics. Our ESG Framework uses the World Economic Forum approach to ESG, and our Sustainability Roadmap aims to identify and manage risks and opportunities consistent with leading standards such as the Taskforce for Climate Related Financial Disclosures. We also plan to work with stakeholders through our value chain, on and off-shore, to promote and demand activities that are in line with our ESG Framework.

Sustainability Roadmap

Stage 1: Exploration and Project Definition

RareX is currently operating in Stage 1 of its 3 stage Roadmap.

Principles of Governance

- **Adopt an ESG Framework** and publish it on the Company website.
- **Prepare an annual ESG report.**
- **Maintain a register of key stake-holders** including contact names of the KLC, Jaru station holder and pastoralists, and planned / required liaisons.
- **Allocate resources to implement ESG activities.**
- **Integrate reviews of downstream, value chain risks, on and off-shore,** including considerations of modern slavery, jurisdictional ethics and climate action.
- **Conduct an annual review of policies** for suitability and consistency with the ESG Framework, including anti-corruption, whistleblowing, health and safety.
- **Develop consistency of ESG reporting** to the Taskforce for Climate Related Disclosures recommendations.
- **Include an ESG remit** into the Charter of the Audit and Risk Committee.

Planet

- **Develop an emissions footprint** based on current exploration activities.
- **Develop current footprints for water and energy consumption and GHG emissions** during exploration, including through working with contractors.
- **Identify the potential economic and environmental contributions** that RareX could make by channelling its products to low carbon products e.g. for electric vehicles and wind turbines.
- **Engage with government on relevant initiatives such as stakeholder input** to the WA net zero emissions strategy and potential financial support through the likes of ARENA for low carbon infrastructure.
- **Integrate options for cleaner energy and waste management** for mining and refining into our project definition studies.

People & Prosperity

- **Measure and report on key health and safety data:** including near misses.
- **Lost Time Injury Frequency Rate (LTIFR).**
- **Total Recordable Injury Frequency Rate (TRIFR)** and identified hazards for staff and contractors.
- **Begin to develop a safety program which identifies safety risks** and develops controls and systems to manage them, including for contractors.
- **Develop recruitment strategy** for jobs in the Kimberleys and amongst Indigenous communities.
- **Report on economic contributions to the community** as well as numbers of employed staff/contractors and salary expense.
- **Report on any financial assistance** received from the government.
- **Begin reporting on annual training activities,** budget and oversight/ engagement from Directors.

1

Stage 2: Exploration and Project Definition

Principles of Governance

- **Risk management**: review alignment of RareX policies to the ASX Corporate Governance Principles & Recommendations, and the TCFD.
- **Develop a training plan** for Directors and staff including around climate risks, health and safety, etc.
- **Modern slavery assessment**: assess likelihood of suppliers going over the $100M threshold for modern slavery reporting.
- **Compliance requirement**: confirm alignment with UN No.2192 Transporting Dangerous Goods List and other relevant compliances.
- **Establish a Sustainability Committee** and provide updates on ESG issues and activities.

Planet

- **Identify best practice examples** of ESG and energy efficiency/ renewable energy integration, to inform the design of RareX's mine site.
- **Refine reduction targets** develop and report on energy efficiency and GHG reduction targets for mine construction and operation, e.g. 10% recycled water supply and waste minimisation /reuse goals over a base case.
- **Permits:** prepare material required for permits and consents. For example, the Environmental Management Plan for approval by the WA Environment Protection Authority (EPA), including Biodiversity, Water Resources, Land and Soils, Rehabilitation and Mine Closure. Show consideration to alter native energy supply options, where required by the EPA.

People & Prosperity

- **Refine health and safety policies and procedures** for mining operations: identify key safety risks and controls to manage them, including for contractors.
- **Diverse employment:** set and develop targets such as for percentage female employment and percentage Indigenous employment by 2025.
- **Obtain certifications and management systems:** consider key systems such as OHSAS 18001 (Occupational Health and Safety Management Systems), ISO 14001 (Environmental Management Systems) and ISO 9001 (Quality Management Systems) standards.
- **Local community investment plan:** develop a community investment plan, to support and contribute to the local community. This could form part of RareX's communication strategy for the development and launch of the mine site.
- **Local employment:** set metrics for local employment i.e. the percentage of employees from the local community.
- **Trainings**: establish a training policy and percentage of staff training participation.

2

Stage 3: Mine Operation

Principles of Governance

- **Training of the Board and Management** on an annual or bi annual basis, covering ESG topics including whistleblowing. Review compliance with Modern Slavery requirements.
- **Review compliance with UN No.2912** Transporting Dangerous Goods List and other identified compliances.
- **Periodic meetings of the Sustainability Committee** (e.g. quarterly). Annual ESG reporting.

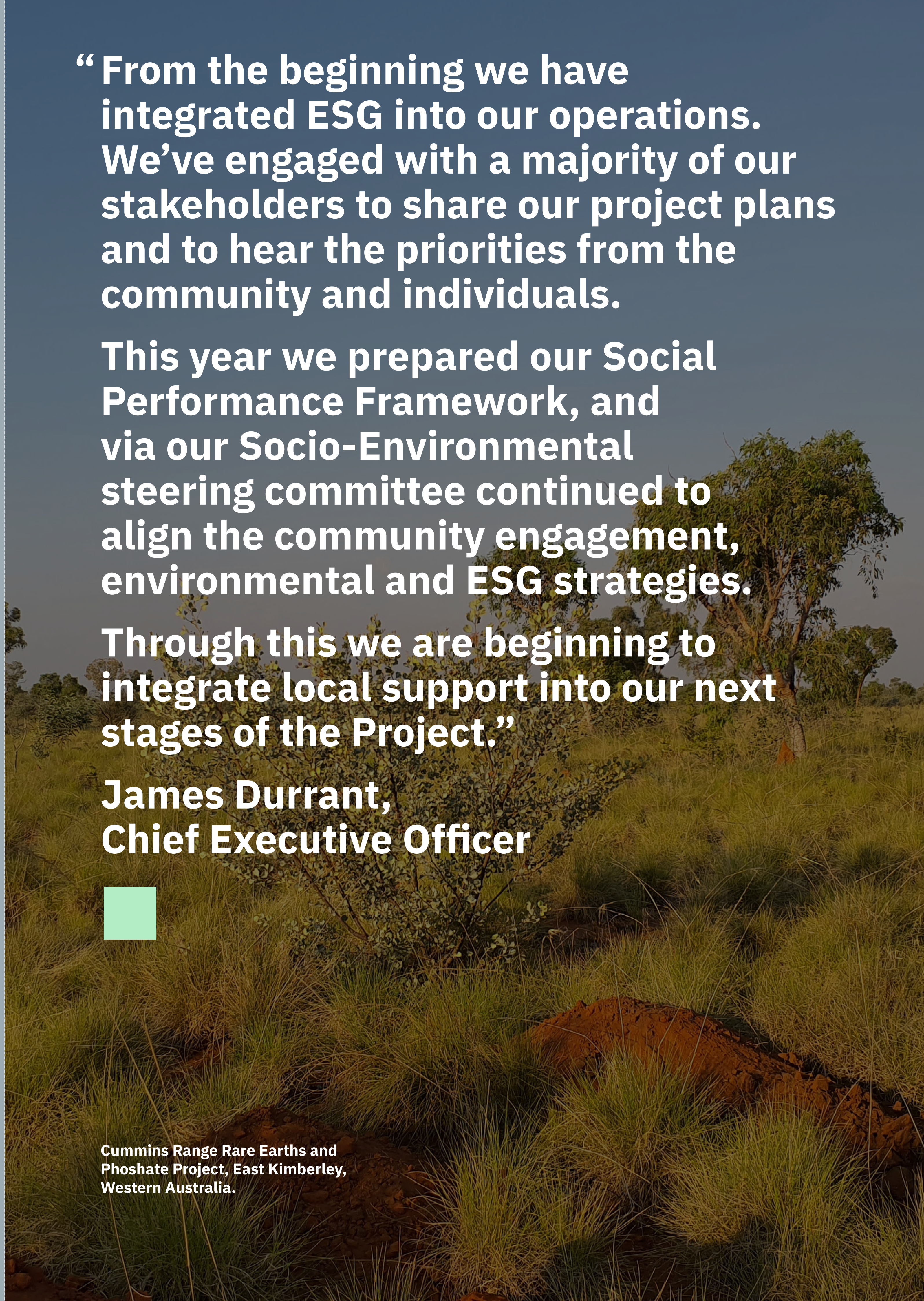
Planet

- **Execution of ESG Framework** and reduction targets.
- **Consider requirements for National Greenhouse and Energy Reporting (NGER)** reporting: begin NGER reporting if 25 kt or more of greenhouse gases, production of 100 TJ or more of energy, or consumption of 100 TJ or more of energy.
- **ESG Rating and Environmental Management Plan:** obtain an ESG Rating such as with MSCI or CDP and development RareX EMP.
- **Scope 3 emissions:** measure and disclose scope 3 emissions in line with the Greenhouse Gas Protocol.

People & Prosperity

- **Continue execution of health and safety program.**
- **Annual ESG reporting** on social/ people metrics including diversity, inclusion, health & safety, community contributions.
- **Local community investment strategy:** update the community investment plan for support and contribution to the local community.
- **Updates on staff training:** report on the investment made and on the number of unfilled skilled positions and on the percentage of unfilled skilled positions for which the Company hires unskilled candidates and trains them.
- **Updates on new hires and turnover:** report on the total number and rate of new employee hires and turnover during the reporting period, by age group, gender, other indicators of diversity and region.
- **Updates on Research and Development:** reporting on total R&D expenses.
- **Updates on products usage:** report on percentage of its products which will be used for what purposes by partners and customers.

3



"From the beginning we have integrated ESG into our operations. We've engaged with a majority of our stakeholders to share our project plans and to hear the priorities from the community and individuals.

This year we prepared our Social Performance Framework, and via our Socio-Environmental steering committee continued to align the community engagement, environmental and ESG strategies.

Through this we are beginning to integrate local support into our next stages of the Project."

James Durrant,
Chief Executive Officer

Cummins Range Rare Earths and Phoshate Project, East Kimberley, Western Australia.

Sustainability and Self-Assessment Report 2023

Sustainability and Self-Assessment Report 2023

Key		
		On track
		Partially met
		Deferred

Governance

1 On track

Adopt an ESG Framework and publish it on the Company website.

A dedicated ESG page and Framework was published on the website and included in the Sustainability Report.

RareX worked with a global recognised ESG advisor to establish our ESG Framework which we published to the ASX and on our website in September 2021. Furthermore, the specialist ESG consultancy 'Decarbonate' advised us in preparing this year's Sustainability Report, resulting in some changes and improvements to the nature of the ESG disclosures.

RareX has adopted the World Economic Framework Model of Governance, Planet, People and Prosperity to display our ESG metrics and focus.

2 On track

Prepare an annual ESG Report.

This Sustainability Report for 2022-23 follows the maiden 2021-22 Sustainability and Self-Assessment Report that was published in 2022.

3 On track

Maintain a register of key stakeholders.

RareX partnered with 'WSP Golder' to create a detailed stakeholder engagement map and digital register which records stakeholders and relevant communications. Two community roadshows were completed in the process.

4 Partially met

Allocate resources to implement the ESG activities.

RareX appointed 'MBS Environmental' and 'WSP Golder' as advisors in socio-environmental matters and is working with the specialist ESG advisory firm 'Decarbonate' to support with the delivery of ESG activities.

Additionally, a socio-environmental steering committee was formed in September 2022 at the executive level which meets every two weeks and reports to the Board committee. It is underpinned by a stakeholder engagement strategy (WSP Golder) and an environmental management and approvals strategy (MBS Environmental). The steering committee meets periodically and maintains a rolling 6-month socio-environmental and ESG road map. The Board has ESG included in meeting agendas and has found this to be an effective approach rather than to have a separate ESG committee.

5 Deferred

Integrate reviews of downstream value chain risks on and off-shore, including considerations of modern slavery, jurisdictional ethics and climate action.

RareX is guided by Australia's strategic trade relationships and alliances to guide assessment of trade partners and potential offtake agreements.

Current risk levels, given supply chains are supported by primarily Australian domiciled businesses, are considered low. As supply chains become increasingly international (e.g. product offtakers, mining equipment suppliers etc.) value chain risk assessments, including modern slavery will come into focus as part of the contractual and procurement frameworks.

RareX plans to undertake a gap assessment against the TCFD framework, including to identify climate related risks and opportunities.

6 On track

Conduct an annual review of policies for consistency with ESG Framework.

RareX worked with a specialist ESG advisory firm to conduct a thorough review and gap analysis of our policy suite resulting in an updated Diversity Policy and the preparation of 3 new policies:

- Community and Social Vitality Policy
- Environmental Policy
- Greenhouse Gas Emissions Policy

7 Deferred

Develop consistency of ESG reporting to the Taskforce for Climate Related Financial Disclosures (TCFD) recommendations.

The TCFD has developed a reporting framework based on a set of consistent disclosure recommendations for use by companies as a means of providing transparency about their climate-related risk exposures to investors, lenders, and insurance underwriters.

The TCFD recommendations will help us to gradually align our business to changing regulations. We note that RareX does not meet the size thresholds that would require compliance to the planned mandatory climate risk disclosures in Australia.

We plan to conduct a gap assessment and begin to report in the manner described in the ESG Framework, as part of future annual ESG reporting.

8 Partially met

Include an ESG remit into the Charter of the Audit and Risk Committee.

Although the Audit and Risk committee Charter has not been updated to include the ESG remit, the Board includes ESG as part of the agenda for Board meetings.

9 On track

Maintain a record of stakeholder / community engagements.

Register of stakeholder engagements implemented.

RareX maintains minutes of all stakeholder meetings and continuously updates a stakeholder engagement register.

10 On track

Report on number of governance breaches such as Land Clearances Breaches (m²).

RareX has had no land clearance, environmental or other governance breaches to report.

Planet

1 On track

Develop an emissions footprint based on current exploration activities.

Energy and greenhouse gas footprints have been disclosed since the RareX maiden Sustainability Report for the 2021/22 reporting year.

This year, we expanded our coverage of emissions reporting by including air travel, electricity for the head office, waste at camp, and basic scope 3 GHG emissions for all emissions sources.

Cummins Range is a remote exploration site relying on diesel generation. Access to the site is by light vehicle from Halls Creek. Our energy use and equivalent carbon footprint from this use is outlined in the table below. Due to increased activity onsite, there was a 13% increase in GHG emissions since 2021/22 for drill rigs, generators and light vehicles .

	Diesel (kL)	Electricity (kwh)	Waste (kg)	GHG Emissions (tCO2e)
Drill rigs	90			304
Generators	21			71
Light vehicles	3			10
Flights				219
Electricity (head office)		18,482		10
Municipal Sold Waste			3,939	6
Total				621

Source of emissions factors: National Greenhouse Accounts Factors 2022. Flight emissions are sourced from Corporate Travel. All line items include basic scope 3 emissions.

2 On track

Develop footprints for water consumption and waste generation.

Water and waste footprints have been established and disclosed since the RareX maiden Sustainability Report for the 2021/22 reporting year.

Water is abstracted from water bores onsite for non-potable use including drilling and domestic uses. Non contaminated wastewater discharged from camp activities is left to settle in a sump before seeping away. A portion of the drill water is recycled, and excess water seeps back into the ground via a sump. All potable water is imported to site. No contaminated water discharge events occurred during the financial year.

	Volume (kL)
Bore abstraction	1,200
Contaminated Water	0
Recycled Water	1,100

This is a reduction from the 1,750 kL bore water abstracted and recycled in 2021/22.

2 (Continued)

Our team re-use and minimise waste as much as possible as there is no recycling facility in the area. All rubbish is taken off site to the Halls Creek refuse tip. Metal cans and plastic bottles are separated but these only represent a small portion of our waste. Recycling activities were reported for the first time in 2022/23. Waste to landfill volumes approximately doubled in 2022/23 compared 2021/22, following increased camp and staff activities, and the municipal authority stoppage of recycling of bottles and cans.

	Volume (kg)
Total waste generated	4,200
Waste recycled	261
Waste landfill	3,939

3 Deferred

Identify the potential economic and environmental contributions that RareX could make by channelling its products to low carbon products.

The proposed products to be produced are an input to the green energy transition, including batteries for electric vehicles and battery energy supply systems (BESS). Rare earths are also critical for the development of renewable energy technology such as wind turbines.

As we progress the feasibility studies and considerations around offtake agreements, the timing of analysis of potential economic and environmental benefits will be further considered. This includes our Scope 1, 2 and 3 footprint and how we sit relative to our peers.

4 Partially met

Engage with government on relevant initiatives, such as stakeholder input to the WA net zero emissions strategy and potential financial support through the likes of ARENA for low carbon infrastructure.

RareX is engaging with government at all levels, including federal and state ministers responsible for regional development, and local government. RareX is working with partners to align the Project to government initiatives. As we increase our involvement with these initiatives, we will share our involvement more.

5 On track

Integrate options for cleaner energy and waste management for mining and refining into our project definition studies.

RareX are considering the feasibility of clean energy supply options for the rare earths project.

Furthermore, studies have shown the ability to monetise waste streams as by-products including phosphate concentrates and even potentially gypsum. This would significantly reduce the waste footprint of the Project by maximising resource utilisation.

6 On track

Measure land clearance activities.

Clearance activities recorded are shown below. This process is in line with the Heritage Impact Assessment process as defined in the Exploration Heritage Agreement.

Land inspected for clearance	No. of drill pads	Land cleared (m2)	Land Rehabilitated (m2)
Drill pads and access	94	32,262	22,632
Other	-	0	0

94 drill pads with access tracks were cleared for drill purposes during the reporting period. This is an increase on the 58 drill pads cleared in 2021/22. Drilling areas were inspected for matters of cultural heritage by Jaru Elder, Kenny Boomer and Francis Birrell.

All of the 2022 drill pads have been rehabilitated and the 2023 drill pads will be rehabilitated during 2023/24. Stockpiled topsoil for drill pads and tracks are redistributed during rehabilitation.

People & Prosperity

1 On track

Measure and report on key health and safety data including near misses, TRIFR, LTIFR, and identified hazards for staff and contractors.

Safety incidents, hazards, injuries and lost time records are kept.

RareX confirms there were three reportable events and two lost time injuries. Total Recordable Injury Frequency Rate (TRIFR) was recorded to be 123 and Lost Time Injury Frequency Rate (LTIFR) was recorded to be 82.

Over the reporting period we recorded 24,464 man hours, compared to 9,180 man hours recorded in 2021/22.

There were 3 minor safety incidents reported. Near misses are recorded and actioned as free lessons. There were no near misses to report.

Hazards for staff and contractors: hazard identification is built into the safety management system. Before operations commence, a formal risk assessment is conducted. During operations, where necessary, job hazard analysis tools are used to manage jobs without prescribed procedures. During the reporting period 2 notable events were identified as potential hazards, which were managed very well with no damage to property or injuries.

2 On track

Develop a safety program which identifies safety risks and develops controls and systems to manage them, including for contractors.

A health and safety (H&S) management system has been developed and implemented, after RareX consulted a specialist advisor to support in the development of the system across 10 elements of the business. Priorities within the elements were identified from the annual risk assessment and feedback from site.

3 Partially met

Develop a recruitment strategy for jobs in Kimberley and amongst Indigenous communities.

A local and culturally sensitive recruitment process was designed and implemented by WSP Golder within the reporting period.

RareX prioritises recruiting locally where skills align. During the 2022/23 drilling program, 1 out of 7 RareX employees was a local Indigenous person. This compares to 1 out of 12 employees in 2021/22. We are seeking to further integrate our recruitment strategy with local agencies and the Traditional Owner groups. RareX ultimately strives to strengthen the engagement with the Indigenous members of the community and to provide meaningful employment opportunities.

4 On track

Report on economic contributions to the community as well as numbers of employed staff / contractors and salary expense.

RareX continues to prioritise local employees, contractors and service providers. RareX is a member of the East Kimberley Chamber of Commerce and Industry (EKCCI) and are committed to working collaboratively with the EKCCI for the greater good of the region, stimulating economic development and continually cultivating relationships with stakeholders.

During the reporting period 1,205 hours of employment were attributed to local employees from the Halls Creek/Fitzroy Crossing region, which is an increase from 130 hours during 2021/22.

Economic Contribution	AU$
Local employment	60,250
Contractors	698,000
Community Fund	345,000
Total	1,103,250

This represents an increase compared to $673,600 in 2021/22.

5 On track

Report on any financial assistance received from the government.

RareX receives an R&D rebate from the government on an annual basis as follows during 2022/23:

Financial Assistance	AU$
R&D rebate from the government	2,141,754

This represents an increase from $587,500 in 2021/22.

6 On track

Report on annual training activities.

RareX ensures only priority training occurs at this stage of project development and recruits based on required existing skills. We want to ensure that any training and recruitment that takes place strictly aligns with our organisational values and operational requirements.

Training	No. of People	Cost AU$
Senior First Aid	2	320
Mental Health	2	350
4WD Training	2	790
Other	0	0
Total	6	1,460

This represents a reduction from 14 training events in 2021/22, which included 6 one-off senior first aid training events.

RareX HQ
Level 1, 338 Barker Rd,
Subiaco WA 6008,
Australia

P +61 8 6383 6593
E info@rarex.com.au

rarex.com.au

ASX: REE

Phosphate
Enabled
Rare Earths